

ORIGINAL

MEMORANDUM



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AZ CORP COMMISSION
DOCKET CONTROL

TO: Docket Control

FROM: Thomas M. Broderick
Director
Utilities Division

Date: March 2, 2016

RE: STAFF REPORT FOR THE APPLICATION OF NEW RIVER UTILITY COMPANY FOR APPROVAL OF THE SALE OF ASSETS TO THE CITY OF PEORIA AND CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY (DOCKET NO: W-01737A-15-0380)

Attached is the Staff Report for the application of New River Utility Company for approval of the sale of assets to the City of Peoria and cancellation of its Certificate of Convenience and Necessity ("CC&N"). Staff is recommending approval with conditions.

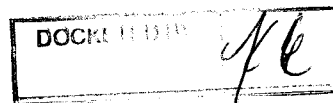
TMB:BNC:nr/RRM

Originator: Blessing Chukwu

Arizona Corporation Commission

DOCKETED

MAR 02 2016



Service List For: New River Utility Company
Docket Nos.: W-01737A-15-0380

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

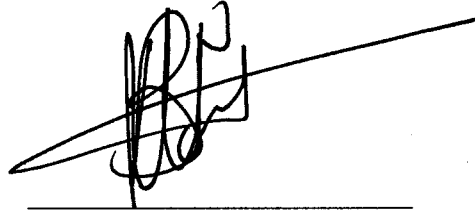
NEW RIVER UTILITY COMPANY
DOCKET NO. W-01737A-15-0380

SALE OF ASSETS OF NEW RIVER UTILITY COMPANY TO
THE CITY OF PEORIA AND CANCELLATION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY

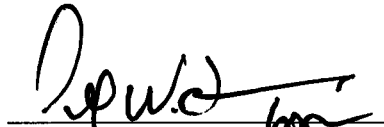
MARCH 2, 2016

STAFF ACKNOWLEDGMENT

The Staff Report for New River Utility Company (Docket No. W-01737A-15-0380) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the application. Katrin Stukov was responsible for the engineering and technical analysis.

A stylized, handwritten signature in black ink, featuring a large, looped 'B' and 'C' that are interconnected. A long, straight horizontal line extends from the right side of the signature.

Blessing Chukwu
Executive Consultant

A handwritten signature in black ink, appearing to read 'Katrin Stukov' in a cursive style. A horizontal line is drawn across the signature.

Katrin Stukov
Utilities Engineer

**EXECUTIVE SUMMARY
NEW RIVER UTILITY COMPANY
DOCKET NO. W-01737A-15-0380**

On November 6, 2015, New River Utility Company ("New River" or "Company") filed an Application with the Arizona Corporation Commission ("ACC" or "Commission") for approval of the sale of assets to the City of Peoria ("City" or "Peoria"), an Arizona municipality, and for cancellation of its Certificate of Convenience and Necessity ("CC&N"). The application noted that the purpose was to obtain Commission approval for the sale of assets and cancellation of CC&N. When the application was docketed, sale of stock was inadvertently listed as part of the caption, rather than sale of assets.

Pursuant to the SPA executed in October 2015, New River is owned by the City of Peoria and it operates New River as a separate entity. Currently, the City is providing water service to all of New River's customers. New River is now desirous of relieving itself of the responsibilities of owning and operating a public water utility.

The City has extensive experience owning and operating a municipal water utility and has executed an Asset Purchase Agreement with New River for the acquisition and all customers are to be served by the City. No adverse impacts to customers are anticipated, and in fact, the quality and quantity of water available to customers may improve.

Based on the information provided in this docket and communications with the City, Staff concludes that (i) the City is capable of operating the water assets that will be transferred and of providing safe and reliable service to the customers being transferred from New River; (ii) the City is ready, willing and able to provide service in the New River's CC&N area and has taken steps to ensure that the same quality of service would be provided to the customers within the New River's CC&N area who have been receiving water service from New River; (iii) no detrimental impact to service reliability will occur as a result of the sale of assets; (iv) New River is still obligated to confirm via a certificate that the affected customers were given notice and informed of the hearing in this matter; and (v) the proposed cancellation of CC&N and sale of assets is in the public interest.

Staff recommends the following:

- (1) That the Commission grant New River's request to cancel its CC&N.
- (2) That the Commission approve New River's request to sale all its assets to Peoria.
- (3) That New River be authorized to engage in any transactions and to execute or cause to be executed any documents necessary to effectuate the authorizations requested with the application, including authorization to waive or where necessary, refund to customers transferred to the City of Peoria, a disconnect fee or a new connection/establishment fee charged in association with the transfer.
- (4) That New River be required to file all pertinent documents evidencing the consummation of this transaction, no later than 30 days from the effective date of transaction.

- (5) That the Commission eliminate all outstanding compliance items associated with Decision No. 74294.

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INTRODUCTION

The Arizona Corporation Commission (“ACC” or “Commission”) issued Decision No. 33131 (May 24, 1961), in Docket No. U-1737, granting New River an order preliminary to the issuance of a Certificate of Convenience and Necessity (“CC&N”), authorizing the Company to construct, operate, and maintain a public water system within a portion of Maricopa County Arizona. On August 15, 1961, the Commission granted the Company its original CC&N in Decision No. 33354.

On November 6, 2015, New River Utility Company (“New River” or “Company”) filed an Application with the Commission for approval of the sale of assets to the City of Peoria (“City” or “Peoria”), an Arizona municipality, and for cancellation of its CC&N. The application noted that the purpose was to obtain Commission approval for the sale of assets and cancellation of CC&N.

When the application was docketed, sale of stock was inadvertently listed as part of the caption, rather than sale of assets.

On January 29, 2016, Staff informed New River that its application was sufficient for administrative purposes. Hearing is set for April 29, 2016.

BACKGROUND

New River is an Arizona corporation, in good standing with the Corporations Division, and engaged in the business of providing water utility service to the public within portions of the City of Peoria, Arizona (the “Business”). The Company currently serves approximately 2,882 water utility customers, comprised of residential, commercial and landscape customers. The Company’s CC&N is wholly contained within the City limits of Peoria, Maricopa County and consists of approximately 1.75 square-miles. The City provides wastewater service to the entire area. New River does not serve unincorporated areas of Maricopa County.

The City is an Arizona municipal corporation that operates water, wastewater and solid waste services within its corporate boundaries. The City provides water service to approximately 54,686 residential customers, 2,251 commercial customers and 236 landscape customers. The City’s Utilities division is part of the City’s Public Works – Utilities Department and has a staff of 85 employees overseeing its water, wastewater, water resources, environmental, and administrative/support operations. The City is the wastewater provider in the New River service area and sets wastewater rates based on the winter water consumption of its customers. New River provides water consumption information to Peoria for Peoria’s wastewater billing purposes.

THE TRANSACTION

New River’s water system has interconnection with the City’s water system¹ and is in a geographical area in which the City desires to establish and expand its presence as a regional water

¹ Agreement between New River and the City of Peoria for water service interconnection entered August 23, 2011.

provider. Attachment B includes a map that reflects New River's CC&N area and identify other regulated utilities in the vicinity.

On October 21, 2015, Robert L. Fletcher and Mary Karen Fletcher (Trustees of the Robert L. Fletcher and Mary Karen Fletcher Family Trust, created under trust instrument dated July 19, 2002) ("Seller") and the City entered into a Stock Purchase Agreement ("SPA"), in order to sell and transfer all of the issued and outstanding shares of capital stock of New River to the City.² The SPA provides, among other things, for all assets of the Company used in connection with the Business and necessary for the operation of the Business after the Closing in the same manner as operated immediately prior to the closing be included in the transaction contemplated by the SPA. The SPA required that the Company Assets include the well permits and well sites used by the Company to withdraw water and serve the customers located within the service area pursuant to applicable law. The SPA authorized that certain assets of the Company shall remain the property of Seller or its affiliates, notwithstanding the structure of the stock purchase. The excluded assets are: (a) all motor vehicles; (b) all office furniture; (c) all cash and cash equivalents; and (d) all cell phones. The purchase price paid by the City for the shares of stock was \$10,000,000.

On November 5, 2015, New River and the City entered into an Asset Purchase Agreement ("APA"). The main provisions of the APA are as follows:

1. The City is to provide a continuous, adequate and reliable municipal water supply to all individuals and entities served by New River.
2. The total price for the purchase and sale of New River's assets is Ten Dollars (\$10.00).
3. The closing of the sale will be conditioned upon, among other things, New River obtaining regulatory approval from the ACC.
4. The closing of the sale will occur after obtaining all regulatory approvals,
5. The assets includes, but not limited to, all tanks, surface water treatment equipment, pump stations, wells, water rights, water distribution systems, all real and personal property assets, inventory and equipment used to conduct the operation by New River of its business.

By virtue of the stock purchase, the ownership of New River transferred to the City. The City owns and operates New River water system since the SPA was executed and desires to transfer New River water utility assets to itself. By this application, New River, as the entity that holds the CC&N, is seeking Commission approval to sale it assets to the City of Peoria and to cancel its CC&N, located in the City of Peoria, in Maricopa County, Arizona. As shown on Exhibit B, Schedule 2.6 (Tangible Personal Property and Equipment), attached to New River's application,

² The authorized capitalization of the Company consists of 100,000 shares of common stock, of which 100 shares were issued and outstanding.

New River has provided a list of properties the Company intends to transfer to the City. New River currently serves approximately 2,882 water utility customers in its CC&N area. All of the customers are provided wastewater and solid waste services by the City.

Upon Commission approval of this application, the City of Peoria would become the sole provider of water service with New River's CC&N area. It is Staff's understanding that the transaction will be consummated in as seamless a manner as possible, with the objective of ensuring continuity and quality of service to all of the affected customers.

NEW RIVER'S WATER SYSTEM

As indicated above, New River's water system and the City's water system are interconnected. Attachment A is Staff's Engineering Report which describes New River water system's operation and capacity. The report includes the finding that New River's water system is in compliance with both the Maricopa County Environmental Services Department ("MCESD") and the Arizona Department of Water Resources ("ADWR"). The report indicates that the Company is not in compliance with ACC Compliance Database at this time.

CITY OF PEORIA'S WATER SYSTEM

The City has operated as a water provider since 1955, shortly after it incorporated on June 7, 1954. The City's water system consists of three (3) separate public water systems, consisting of 40 wells, 22 booster stations, 30 water reservoirs, 905 miles of water mains, 8,500 fire hydrants, and 26,300 valves. In addition to groundwater supplies, the City possesses and utilizes surface water supplies from Salt River Project ("SRP") and the Central Arizona Project ("CAP"). SRP water is treated at the City's 16 Million Gallon per day ("MGD") Greenway Water treatment Plant and CAP water is treated at the City of Glendale's Pyramid Park Water Treatment Plant ("PPWTP"). The City of Peoria owns 11 MGD capacity at the PPWTP and is expanding its capacity to 24 MGD.

Attachment A (Staff's Engineering Report) includes the finding that the City's water system is in compliance with both the MCESD and the ADWR.

RATES AND TERMS OF SERVICE

The City has incorporated New River's base rates and volume charges into the City's rates and fees. The incorporated rates and charges are only applicable to New River customers and are anticipated to remain in effect until January 1, 2017. On this date, New River customers will transition to the City's water rates and charges in effect at that time. Attachment D is a comparative analysis of the rates and terms of service of New River and the City of Peoria.³

³ New River's response to Staff's Data Requests Nos. BNC 1.2 and 2.1.

The existing customers will NOT incur a disconnect fee or a new connection/establishment fee in association with the transfer. Following the acquisition, any new customers requesting for new municipal services from the City will pay the Service Connection fee of \$50.

CUSTOMER SECURITY DEPOSITS

According to the Application, all customer security deposits have not been refunded. New River intends to refund all security deposits prior to or at time of closing.

MAIN EXTENSION AGREEMENTS

There are no refunds due on Main Extension Agreements. At the time of the execution of the APA between New River and the City there were no outstanding main extension agreements.

METER AND SERVICE LINE INSTALLATIONS

There are no refunds due on meter and service line installation.

CONSUMER SERVICE ISSUES

Staff's inquiry confirmed that New River was in good standing with the Corporation Division of the Commission.

A search of Consumer Services database from 2012 through February 22, 2016, indicates that New River had 11 complaints. The complaints relate primarily to billing, termination and service issues. The complaints have been fully resolved and closed.

ACC COMPLIANCE

A check of the Commission's Compliance Section database dated December 15, 2015, indicated the Company is not in compliance with ACC at this time.⁴ There are three outstanding compliance filings from Decision No. 74294, which the Company failed to file. The compliance filings are: a Discrepancy Resolution Plan, a Recordkeeping Compliance Plan and a Fair Transaction Plan. These outstanding compliance items while they may have been relevant to the prior ownership of New River, in light of the stock transaction and the asset purchase by the City, these outstanding compliance items are no longer relevant. Therefore, Staff recommends that these outstanding compliance items be eliminated.

New River has filed its 2014 ACC Utility Division Annual Report.

⁴ Compliance Section Staff was informed by Mr. Jeffery Crockett, in December 2015 that New River was purchased and is being run by the City of Peoria. As such, the outstanding/delinquent compliance items are considered "moot" and that New River will not be filing the delinquent items. Compliance Section Staff also contacted the City of Peoria and spoke with a Deputy Director, who confirmed that New River was purchased and is being run by the City of Peoria.

CURTAILMENT AND BACKFLOW PREVENTION TARIFFS

The Company has an approved Curtailment Tariff and an approved Backflow Prevention Tariff.

NOTICE

In any CC&N proceeding, notice is paramount to ensure that affected parties (landowners, customers, municipalities, counties, and/or other providers in the vicinity) have an opportunity to be heard. The burden of providing notice of an application generally falls on the applicant.

On November 20, 2015, New River filed a Proof of Notice and Publication showing that notice of the Application had been published in the *Peoria Times* on November 6, 2015. On November 25, 2015, New River filed an Affidavit of Mailing stating that notice had been mailed to New River's customers at least 15 days after the Application was filed.

Per a Procedural Order issued February 2, 2016, New River is directed to publish a public notice of hearing for this application in a newspaper of general circulation in its CC&N service area and to mail the same public notice of hearing to each customer and each owner of land within its CC&N service area. The Procedural Order further directed New River to file certification of mailing and publication of the hearing as soon as practicable after they have been completed.

ANALYSIS AND CONCLUSIONS

Pursuant to the SPA executed in October 2015, New River is owned by the City of Peoria and it operates New River as a separate entity. Currently, the City is providing water service to all of New River's customers. New River is now desirous of relieving itself of the responsibilities of owning and operating a public water utility. The City has extensive experience owning and operating a municipal water utility and has, as indicated above, executed an Asset Purchase Agreement with New River for the acquisition and all customers are to be served by the City.

Upon Commission approval of this application, the City would become the sole provider of water service with the New River's CC&N service area. New River would no longer have customers or utility assets; it would no longer provide utility service; and it would not be a public service corporation as defined by Article 15, Section, 2 of the Arizona Constitution.

No adverse impacts to customers are anticipated, and in fact, the quality and quantity of water available to customers may increase as explained above.

The Company's system is wholly located within the City of Peoria and all of the customers are serviced by the City's wastewater and solid waste services. As stated above, New River's water system and the City's water system are interconnected. Consolidation of New River system into the City system will eliminate customer confusion that is caused by having multiple utility providers and provide economies of scale. Also, customers would only receive one bill for utility services with multiple payment options. Additionally, the City offers customers internet access to water bills, and

internet payment (including auto payment) of water bills. The City's hours are also longer and thus more convenient for customers.

Based on the information provided in this docket and communications with the City, Staff concludes that (i) the City is capable of operating the water assets that will be transferred and of providing safe and reliable service to the customers being transferred from New River; (ii) the City is ready, willing and able to provide service in the New River's CC&N area and has taken steps to ensure that the same quality of service would be provided to the customers within the New River's CC&N area who have been receiving water service from New River; (iii) no detrimental impact to service reliability will occur as a result of the sale of assets; (iv) New River is still obligated to confirm via a certificate that the affected customers were given notice and informed of the hearing in this matter; and (v) the proposed cancellation of CC&N and sale of assets is in the public interest.

RECOMMENDATIONS

Staff recommends the following:

- (1) That the Commission grant New River's request to cancel its CC&N.
- (2) That the Commission approve New River's request to sale all its assets to Peoria.
- (3) That New River be authorized to engage in any transactions and to execute or cause to be executed any documents necessary to effectuate the authorizations requested with the application, including authorization to waive or where necessary, refund to customers transferred to the City of Peoria disconnect fee or a new connection/establishment fee charged in association with the transfer.
- (4) That New River be required to file all pertinent documents evidencing the consummation of this transaction, no longer than 30 days from the effective date of transaction.
- (5) That the Commission eliminate all outstanding compliance items associated with Decision No. 74294.

MEMORANDUM

TO: Blessing Chukwu
Executive Consultant
Utilities Division

FROM: Katrin Stukov *DS*
Utilities Engineer *bon*
Utilities Division

DATE: January 4, 2016

RE: Engineering Report for New River Utility Company
Docket No. W-01737A-15-0380 (Sale of Assets and Cancellation of CC&N)

Introduction

On November 6, 2015, New River Utility Company ("Company" or "NRUC") filed with the Arizona Corporation Commission ("ACC") an application for approval of the sale of assets to the City of Peoria ("City") and cancellation of its Certificate of Convenience and Necessity ("CC&N"). The Company is located in Peoria, Maricopa County, with a CC&N area covering approximately 1.75 square-miles. The Company's CC&N is contiguous and/or near to the City limits on its northern and southern boundaries.

Water System

Operation

Based the NRUC's 2014 Annual Report and the Company's response (dated December 29, 2015) to Insufficiency Letter, the NRUC's water system consists of five wells (with three wells in service and totaling to 3,900 gallons per minute), three storage tanks (totaling to 3,000,000 gallons), eight booster pumps, two pressure tanks, three gas chlorination systems, four arsenic treatment filters, fire hydrants and water mains serving approximately 2,882 service connections. The NRUC also has interconnection with the City's water system.

According to the Company, the proposed transaction, will improve the utility's services due to increased operational efficiencies achieved from having the City being able to promptly address problems as well as having the ability to interconnect and improve water pressures and water availability within the NRUC system.

Capacity

The NRUC water system has adequate source production and storage capacity to serve its existing customer base and reasonable growth.

Maricopa County Environmental Services Department ("MCESD") Compliance

Company's System

According to the MCESD compliance status report, dated December 17, 2015, MCESD has determined that NRUC's water system (Public Water System No. 07-051) has no major deficiencies and is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.

City's System

According to the MCESD compliance status report, dated December 1, 2015, MCESD has determined that the City's water system (Public Water System No. 07-096) has no major deficiencies and is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.

Arizona Department of Water Resources ("ADWR") Compliance

NRUC's System

The NRCU's water system is located in the Phoenix Active Management Area. According to an ADWR compliance status report, dated November 12, 2015, ADWR has determined that the Company is currently in compliance with departmental requirements governing water providers and/or community water systems.

City's System

The City is located in the Phoenix Active Management Area. According to an ADWR compliance status report, dated November 24, 2015, ADWR has determined that the City is currently in compliance with departmental requirements governing water providers and/or community water systems.

ACC Compliance

On December 15, 2015, the Utilities Division Compliance Section noted that a check of the compliance database indicates that there are three outstanding compliance filings from Decision No. 74294, as the Company has not filed a Discrepancy Resolution Plan, a Recordkeeping Compliance Plan and a Fair Transaction Plan. Therefore, the Company is not in compliance with ACC Compliance Database at this time.

Curtailment Tariff

The Company has an approved Curtailment Tariff.

Backflow Prevention Tariff

The Company has an approved Backflow Prevention Tariff.

Conclusions

Staff concludes that the proposed sale of assets and CC&N cancellation will not have an adverse effect on the Company's customers and their water service.


The Company is in compliance with ADEQ and ADWR regulations.


The Company is not in compliance with ACC Compliance Database at this time.

MEMORANDUM

ATTACHMENT B

TO: Blessing Chukwu
Executive Consultant III
Utilities Division

FROM: Lori H. Miller 
Programs & Projects Specialist II
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: December 3, 2015

RE: NEW RIVER UTILITY COMPANY (DOCKET NO. W-01737A-15-0380)

New River Utility Company has filed an application for sale of assets to the City of Peoria and cancel its CC&N.

Attached is a copy of the map for your files.

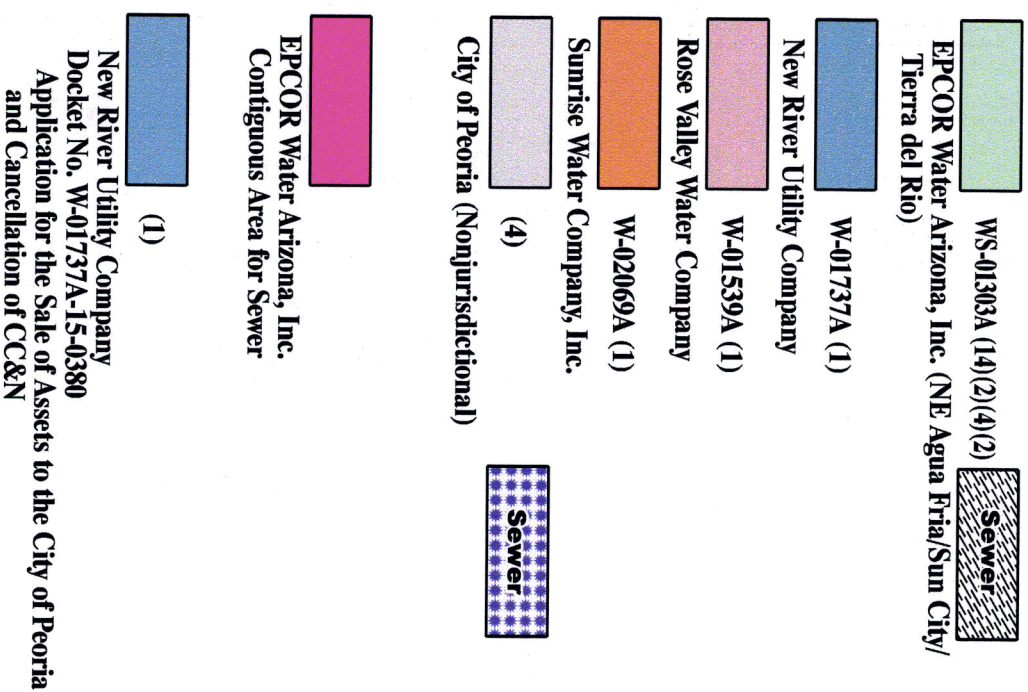
/lhm

Attachment

cc: Mr. William Mattingly
Ms. Deb Person (Hand Carried)
Ms. Katrin Stukov
File

Map No. 29

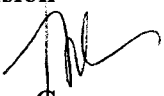
TOWNSHIP 4 North



TR4NIE 17 NOV 2011

MEMORANDUM

TO: Blessing Chukwu
Executive Consultant III
Utilities Division

FROM: Trish Meeter 
Public Utilities Consumer Analyst II
Utilities Division

DATE: February 22, 2016

RE: New River Utility Company
Docket No. W-01737A-15-0380

New River Utility Company ("Company" or "New River") has filed an application for the Approval of the Sale of assets to the City of Peoria ("City") and Cancellation of Certificate of Necessity. An Affidavit of Mailing was filed November 24, 2015 showing a copy of the Public Notice of Application was mailed to the customers of New River.

Per information received from the Corporations Section of the Arizona Corporation Commission on **February 22, 2015**, the Company is in Good Standing.

Company filed their 2014 Annual Utilities Report on February 25, 2015.

A search of Consumer Services database from January 1, 2012 through **February 22, 2016** revealed the following for New River.

- 2016** – Zero Complaints
Zero Opinions regarding application
- 2015** – Six Complaints (three billing, three quality of service)
Zero Opinions regarding application
- 2014** – Two Complaints (one billing, one termination)
- 2013** – Three Complaints (one billing, two quality of service)

All complaints have been resolved and closed.

If you have any questions, please call 602-542-0622

Cc: File

Figure 1 - Comparison of Water Charges: New River & City of Peoria

New River Rates (effective 2/1/2014)

Meter Size	Monthly Base Charge	Applied by City (effective upon acquisition of NRUC)
5/8" x 3/4"	\$ 9.00	\$ 9.00
3/4"	9.00	9.00
1"	22.50	22.50
1.5"	45.50	45.50
2"	72.50	72.50
3"	144.50	144.50
4"	228.50	228.50
6"	450.50	450.50
8"	750.50	750.50

New River Volume Charges

Meter Size	Tier	Charge / 1,000 gal	
5/8" x 3/4"	Tier 1	\$ 0.95	\$ 0.95
	Tier 2	\$ 1.90	\$ 1.90
	Tier 3	\$ 2.63	\$ 2.63
All Other Meters	Tier 1	\$ 1.90	\$ 1.90
	Tier 2	\$ 2.63	\$ 2.63

New River Meter Size Usage Blocks	Usage Block Cut-Offs		
	Tier 1	Tier 2	Tier 3
5/8" x 3/4"	4,000	10,000	10,000+
3/4"	4,000	10,000	10,000+
1"	20,000	20,000+	
1.5"	40,000	40,000+	
2"	65,000	65,000+	
3"	130,000	130,000+	
4"	200,000	200,000+	
6"	420,000	420,000+	
8"	670,000	670,000+	

2016 Peoria Rates (effective, 7/1/2015)

Meter Size	Monthly Base Charge
5/8" x 3/4"	\$ 15.31
3/4"	15.31
1"	18.38
1.5"	29.04
2"	40.83
3"	72.32
4"	107.69
6"	205.90
8"	323.81

City of Peoria Volume Charges (per 1,000 gal)

Category	Meter Size	Tier 1	Tier 2	Tier 3	Tier 4
Residential	ALL	\$ 1.06	\$ 2.73	\$ 3.86	\$ 4.22
Multi-Residential	ALL	\$ 2.73	-	-	-
Commercial	ALL	\$ 1.06	\$ 2.73	\$ 3.86	
Landscape	ALL	\$ 2.73	\$ 3.86		
Hydrants	ALL	\$ 3.86			

City of Peoria Usage Block Cut-Offs	Tier 1	Tier 2	Tier 3	Tier 4
Residential	4,000	10,000	20,000	20,000+
Multi-Family	1,000+			
Commercial	10,000	50,000	50,000+	
Landscape	50,000	50,000+		
Hydrants	1,000+			

SERVICE CHARGES

New River Item Description	Charge
Establishment	\$ 30.00
New Service Deposit	Note 1
Reconnection (Delinquent)	\$ 40.00
After Hours Service Charge	\$ 25.00
Meter Test (if correct)	\$ 40.00
NSF Check Charge	\$ 15.00
Meter Re-Read (if correct)	\$ 40.00
Late Payment Penalty (per month)	1.50%

Notes

1. Per A.A.C. R14-2-403(B).

City of Peoria Effective 7/1/2015 Item Description	Charge
Service Connection Fee	\$ 50.00
New Service Deposit	Note 1
Delinquent Bill Processing Fee	\$ 50.00
Disconnection Notice Issuance	\$ 1.00
Meter Tampering Fee	\$ 75.00
Meter Test (once per 12 mos. period)	No Charge
Hydrant Meter Deposit	\$ 2,117.00
Late Payment Penalty (per month)	1.50% (min. \$2.00)
Field Trip Service Fee	\$ 50.00
Lien Filing Fee	\$ 25.00
Curb Stop Repair	\$ 150.00
Certified Letter Fee	\$ 15.00
ADOR Tax Refund Offset Fee	\$ 30.00

Notes

1. Assessed to tenants/renter accounts only in all customer classes.

Figure 2 - Comparison of Most Common Water Charges (by Customer Type), New River & City of Peoria

New River				Peoria - FY2016		
Meter Size	Base Charge	Usage Range	Rate/1,000 gal	Base Charge	Usage Range	Rate/1,000 gal
Residential						
3/4"	\$9.00	1 - 4,000	\$0.95	\$15.31	1 - 4,000	\$1.06
		4,001 - 10,000	\$1.90		4,001 - 10,000	\$2.73
		10,000+	\$2.63		10,000 - 20,000	\$3.86
					20,000+	\$4.22
1"	\$22.50	1 - 20,000	\$1.90	\$18.38	1 - 4,000	\$1.06
		20,000+	\$2.63		4,001 - 10,000	\$2.73
					10,000 - 20,000	\$3.86
					20,000+	\$4.22
Commercial						
1"	\$22.50	1 - 20,000	\$1.90	\$18.38	1 - 10,000	\$1.06
		20,000+	\$2.63		10,001 - 50,000	\$2.73
					50,000+	\$3.86
1.5"	\$45.50	1 - 40,000	\$1.90	\$29.04	1 - 10,000	\$1.06
		40,000+	\$2.63		10,001 - 50,000	\$2.73
					50,000+	\$3.86
Multi-Family						
2"	\$72.50	1 - 65,000	\$1.90	\$9.41*	1,000+	\$2.73
		65,000+	\$2.63			
* PLUS \$3.54 per Dwelling Unit						

* PLUS \$3.54 per Dwelling Unit

Comparison of Est. Costs for Residential Customer
w/ 3/4" Meter using 11,000 gallons/month

	Monthly	Annually
New River	\$ 27.00	\$ 324.00
City of Peoria	\$ 40.00	\$ 480.00

Carmel Hood

From: Carmel Hood
Sent: Tuesday, December 15, 2015 11:29 AM
To: Katrin Stukov
Cc: UTIL-Compliance
Subject: RE: CURRENT Compliance Status for New River Utility (Docket #15-0380)

Hello Katrin,

In response to your request below, the information is as follows:

New River Utility Company - **A check of the Compliance Database indicates that there are 3 delinquent items showing for "New River Utility Company" at this time.**

**Therefore, "New River Utility Company" is NOT considered to be in compliance at this time with the Compliance Database concerning the following items:
Please also see the "NOTE" information below.**

Compliance Requirements By Decision For: New River Utility Company

DECISION NO: 74294

DOCKET: W-01737A-12-0478 **DECISION NO:** 74294
ACTION: File within 90 days after the effective date of this decision, as a compliance item in this docket, for Commission approval, a DISCREPANCY RESOLUTION PLAN to resolve the discrepancy in a manner that is consistent with all applicable laws and orders, generally accepted accounting standards, the NARUC USOA, and Commission standards.

COMPLIANCE DUE DATE: 4/30/2014

DOCKET: W-01737A-12-0478 **DECISION NO:** 74294
ACTION: File with the Commission's Docket Control, as a compliance item in this docket, within 60 days after the date of this Decision, for Staff approval, a RECORDKEEPING COMPLIANCE PLAN in which New River Utility Company describes the action NRUC will take to maintain its books and records in compliance with A.A.C. R14-2-411(D) and the NARUC USOA. At a minimum, NRUC shall include in its recordkeeping compliance plan provisions for the following: a) obtain training on the general recordkeeping, b) Timeline for personnel to complete the training c) description of policies and procedures d) A timeline to complete the policies and procedures. (SEE DECISION FOR FULL DETAILS).

COMPLIANCE DUE DATE: 3/30/2014

DOCKET: W-01737A-12-0478 DECISION NO: 74294
ACTION: Within 60 days after the date of this decision, file a compliance item in this docket, for Staff approval, a "FAIR TRANSACTIONS PLAN" (1) describing the policies and procedures that New River will adopt to ensure that New River makes a good faith and reasonable effort to ensure the following: (a) that any transaction New River enters into with an affiliated individual or entity involves, for any item or service obtained from the affiliated individual or entity, only charges made at an objectively documented fair market rate; and (b) that any transaction New River enters into with an affiliated individual or entity is entered into with the affiliated individual or entity, rather than with an unaffiliated third party, only because New River has determined that the affiliated transaction will better enhance New River's provision of adequate and reliable serviced to its ratepayers; and (2) establishing a timeline for New River to complete and fully implement each of the policies and procedures described.

COMPLIANCE DUE DATE: 3/30/2014

*******NOTE:** Compliance has spoken with the company's Counsel - Jeffrey Crockett @ (602) 441-2775 and recv'd confirmation from the City of Peoria's Deputy Director, that New River Utility Co. has been purchased & is being run by the City of Peoria. Therefore, Counsel's opinion is that the outstanding/delinquent items listed are hereby considered "moot" and will not be filed at this point.*****

If additional information is required or if I can be of more assistance, please feel free to contact me.

Thank you for your inquiry. Have a Merry Christmas & a very Happy New Year!

Carmel Hood
Compliance Officer – AZ Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007
chood@azcc.gov
602-542-0847

“**Ability** is what you're capable of doing. **Motivation** determines what you do. **Attitude** determines how well you do it!”

From: Katrin Stukov
Sent: Tuesday, November 10, 2015 2:15 PM
To: Carmel Hood <CHood@azcc.gov>
Subject: New River Utility (Docket #15-0380)

Hi Carmel,

Please provide compliance status for the above.

Thank you,
Katrin Stukov